India's Official statistics on FDI inflow for the relevant years did not include reinvested earnings (by foreign companies), inter-company debt transactions and overseas commercial borrowings by foreign direct investors in foreign invested firms, as per standard IMF definitions. This is in contrast to China, which has been reporting FDI following the standard IMF nomenclature.

Owing to the fact that India's Offical RBI Statistics on FDI systematically understates inflows compared to the accepted IMF methodology, the International Finance Corporation has estimated that actual FDI inflows into India during 2001 could range between US$ 5 Billion to US$ 8 Billion. Furthermore, according to Global Development Finance, 2002, 'round tripping' [that is flows from Hong Kong into China and *vice versa* accounts for nearly 50% of China's FDI. Both these factors do not reflect a fair comparison of official FDI figures between India and China.

The International Finance Corporation has done an exercise to readjust FDI inflows in both India and China, for the sake of comparability. According to this exercise, China's FDI to Gross Domestic Product ratio is twice that of India's.

Since mid-2003, reinvested earnings and equity capital of unincorporated bodies are being included in FDI data on an annual basis. The liberal policies of the Government is expected to lead to enhanced FDI flows in the future.

Merger of IDBI

1466. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the IDBI has got a proposal of merger with any banks;

(b) if so, the details thereof;

(c) by when the merger is likely to take off; and

(d) whether it is also a fact that the bank is likely to become one of the biggest banks in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) to (d) Do not arise.

Varishta Bima Yojana

1467. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the recently launched Varishta Bima Yojana has elicited good response and if so, to what extent in terms of funds gathered;

(b) whether Varishta Bima Yojana like other insurance-related products of LIC is covered by a sovereign guarantee;

(c) whether there is any proposal to reduce the tenure of the scheme from the originally announced 15 years to 10 years; and

(d) whether the funds of Varishtha Bima Yojana will be administered independently of the insurance premium pool and if so, major features of its deployment by LIC?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir. LIC had informed that as on 6th December, 2003, they have collected Rs. 3625.07 crore deposit under 2,02,460 proposals.

(b) Yes, Sir.

(c) No. Sir.

(d) Yes, Sir. The fund of Varishtha Pension Bima Yojana is separately maintained and invested according to the IRDA investment regulations.

RRBs in Orissa

1468. SHRI SURENDRA LATH: Will the Minister of FINANCE be pleased to state:

(a) the name and the number of the Regional Rural Banks (RRBs) in Orissa and their sponsored Banks;

(b) the performance of these RRBs during the last three years in priority sector lending separately; and